CALIFORNIA COASTAL COMMISSION

South Coast Area Office 301 East Ocean Avenue, Suite 300 Long Beach, CA 90802-4302 (562) 590-5071



May 15, 2019

Thomas Nitti Law Offices of Thomas A Nitti 1250 Sixth Street, Suite 305 Santa Monica, CA 90401

Dear Mr. Nitti,

This letter is in response to your letter dated May 1, 2019 (attached) in which you stated your opposition to the City's December 11, 2018 adoption of Ordinance No. 185931, which regulated Short-Term/Vacation Rentals citywide.

Vacation rental regulation must occur within the context of a Local Coastal Program and/or be authorized pursuant to a coastal development permit for the regulation to be effective in the Coastal Zone.

Please see the attached guidance memorandum, dated December 6, 2016, for additional detail regarding Short-Term/Vacation Rentals in the Coastal Zone.

Sincerely,

Eric Stevens Coastal Program Analyst

CC: Laura MacPherson, City Planner, Los Angeles Department of City Planning

Law Offices of Thomas A. Nitti

1250 SIXTH STREET, SUITE 305 SANTA MONICA, CALIFORNIA 90401 (310) 393-1524

May 1, 2019

Coastal Program Analyst Daniel Nathan 45 Fremont Street, Suite 2000 San Francisco, CA 94105

Re: Short-term Rental Prohibitions in Coastal Zone

Dear Coastal Program Analyst Daniel Nathan,

Recently the City of Los Angeles adopted Ordinance # 185931 that will go into effect on July 1, 2019. Ordinance #185931 will prohibit short term rentals throughout Los Angeles including the coastal zone.

It appears that there was no consultation by Los Angeles with the Coastal Commission regarding this ordinance.

This ordinance is contrary to various letters issued by the Coastal Commission to cities along the coast of California.

It is expected the City will attempt to justify its ordinance by saying that the City of Los Angeles has always prohibited short term rentals, since well before the Coastal Act was adopted by the voters.

The true facts are the City of Los Angeles has no prohibition of short term rentals at the present time, despite their protestations to the contrary. In the case of City of Los Angeles (People) v. Lambert, LASC BC624350, Judge Teresa A. Beaudet held that there was no prohibition on short term rentals in the City of Los Angeles. The City of Los Angeles took a writ to the Court of Appeal and Judge Beaudet's decision was not reversed.

The city of Los Angeles then took a writ to the California Supreme court and Judge Beaudet's decision was not reversed.

Thousands of opportunities for low income and middle income visitors to rent homes and apartments for a short term in the coastal zone will be eliminated on July 1, 2019. The City's permission for a very limited home-sharing will not address this need.

This is similar to the situation in Santa Monica, which prohibited all short term rentals citywide, including the coastal zone, several years ago. Santa Monica's permission for very limited home-sharing does not address the need in Santa Monica, where coastal zone hotels are \$500 - \$700 per night and pre-ordinance short term rentals in Santa Monica were as little as \$97 each night. Santa Monica criminally prosecutes any person who provides short term rentals in Santa Monica.

I request the Coastal Commission turn its attention to these above obstacles to coastal access.

Cordially,

Thomas A. Nitti

CC: Commissioners

Executive Director

Alexander Yee

Daniel Nathan

Steve Hudson

Amber Dobson

CALIFORNIA COASTAL COMMISSION

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December 6, 2016

TO: Coastal Planning/Community Development Directors

SUBJECT: Short-Term/Vacation Rentals in the California Coastal Zone

Dear Planning/Community Development Director:

Your community and others state and nationwide are grappling with the use of private residential areas for short-term overnight accommodations. This practice, commonly referred to as vacation rentals (or short-term rentals), has recently elicited significant controversy over the proper use of private residential stock within residential areas. Although vacation rentals have historically been part of our beach communities for many decades, the more recent introduction of online booking sites has resulted in a surge of vacation rental activity, and has led to an increased focus on how best to regulate these rentals.

The Commission has heard a variety of viewpoints on this topic. Some argue that private residences should remain solely for the exclusive use of those who reside there in order to foster neighborhood stability and residential character, as well as to ensure adequate housing stock in the community. Others argue that vacation rentals should be encouraged because they often provide more affordable options for families and other coastal visitors of a wide range of economic backgrounds to enjoy the California coastline. In addition, vacation rentals allow property owners an avenue to use their residence as a source of supplemental income. There are no easy answers to the vexing issues and questions of how best to regulate short-term/vacation rentals. The purpose of this letter is to provide guidance and direction on the appropriate regulatory approach to vacation rentals in your coastal zone areas moving forward.

First, please note that vacation rental regulation in the coastal zone <u>must</u> occur within the context of your local coastal program (LCP) and/or be authorized pursuant to a coastal development permit (CDP). The regulation of short-term/vacation rentals represents a change in the intensity of use and of access to the shoreline, and thus constitutes development to which the Coastal Act and LCPs must apply. We do not believe that regulation outside of that LCP/CDP context (e.g., outright vacation rental bans through other local processes) is legally enforceable in the coastal zone, and we strongly encourage your community to pursue vacation rental regulation through your LCP.

The Commission has experience in this arena, and has helped several communities develop successful LCP vacation rental rules and programs (e.g., certified programs in San Luis Obispo and Santa Cruz Counties going back over a decade; see a summary of such LCP ordinances on our website at:

https://documents.coastal.ca.gov/assets/la/Sample_of_Commission_Actions_on_Short_Term_Rentals

<u>.pdf</u>). We suggest that you pay particular attention to the extent to which any such regulations are susceptible to monitoring and enforcement since these programs present some challenges in those regards. I encourage you to contact your <u>local district Coastal Commission office</u> for help in such efforts.

Second, the Commission has <u>not</u> historically supported blanket vacation rental bans under the Coastal Act, and has found such programs in the past not to be consistent with the Coastal Act. In such cases the Commission has found that vacation rental prohibitions unduly limit public recreational access opportunities inconsistent with the Coastal Act. However, in situations where a community already provides an ample supply of vacation rentals and where further proliferation of vacation rentals would impair community character or other coastal resources, restrictions may be appropriate. In any case, we strongly support developing reasonable and balanced regulations that can be tailored to address the specific issues within your community to <u>allow</u> for vacation rentals, while providing appropriate <u>regulation</u> to ensure consistency with applicable laws. We believe that appropriate rules and regulations can address issues and avoid potential problems, and that the end result can be an appropriate balancing of various viewpoints and interests. For example, the Commission has historically supported vacation rental regulations that provide for all of the following:

- Limits on the total number of vacation rentals allowed within certain areas (e.g., by neighborhood, by communitywide ratio, etc.).
- Limits on the types of housing that can be used as a vacation rental (e.g., disallowing vacation rentals in affordable housing contexts, etc.).
- Limits on maximum vacation rental occupancies.
- Limits on the amount of time a residential unit can be used as a vacation rental during a given time period.
- Requirements for 24-hour management and/or response, whether onsite or within a certain distance of the vacation rental.
- Requirements regarding onsite parking, garbage, and noise.
- Signage requirements, including posting 24-hour contact information, posting requirements and restrictions within units, and incorporating operational requirements and violation consequences (e.g., forfeit of deposits, etc.) in rental agreements.
- Payment of transient occupancy tax (TOT).
- Enforcement protocols, including requirements for responding to complaints and enforcing against violations of vacation rental requirements, including providing for revocation of vacation rental permits in certain circumstances.

These and/or other provisions may be applicable in your community. We believe that vacation rentals provide an important source of visitor accommodations in the coastal zone, especially for larger families and groups and for people of a wide range of economic backgrounds. At the same time we also recognize and understand legitimate community concerns associated with the potential adverse impacts associated with vacation rentals, including with respect to community character and noise

and traffic impacts. We also recognize concerns regarding the impact of vacation rentals on local housing stock and affordability. Thus, in our view it is not an 'all or none' proposition. Rather, the Commission's obligation is to work with local governments to accommodate vacation rentals in a way that respects local context. Through application of reasonable enforceable LCP regulations on such rentals, Coastal Act provisions requiring that public recreational access opportunities be maximized can be achieved while also addressing potential concerns and issues.

We look forward to working with you and your community to regulate vacation rentals through your LCP in a balanced way that allows for them in a manner that is compatible with community character, including to avoid oversaturation of vacation rentals in any one neighborhood or locale, and that provides these important overnight options for visitors to our coastal areas. These types of LCP programs have proven successful in other communities, and we would suggest that their approach can serve as a model and starting place for your community moving forward. Please contact your <u>local district Coastal Commission office</u> for help in such efforts.

Sincerely,

STEVE KINSEY, Chair

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California Coastal Commission